

WASHINGTON STATE DEPARTMENT OF REVENUE



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**Voluntary Disclosure Program On Web Helps Businesses Get Registered and Resolve Past Tax Liabilities**

**OLYMPIA**, Wash., March 27, 2002— Are you doing business in Washington without being registered or paying state taxes? Thanks to the web, it's now easier than ever to come forward voluntarily to resolve your tax liabilities with the state.

The Washington Department of Revenue has put information about its Voluntary Disclosure Program on its web site, <http://dor.wa.gov>, including benefits, qualifications, sample agreement and contact information.

Visitors can use the web information to determine if they qualify for a voluntary disclosure agreement. Qualified companies can either apply on their own or through representatives such as accountants or attorneys. Applicants may remain anonymous until negotiations are completed.

The voluntary disclosure program isn't available to businesses that have been previously contacted by the Department or currently are under investigation. Eligible businesses must not have engaged in evasion or misrepresentation with respect to reporting tax liabilities or other tax requirements, and they cannot be listed with the Department as registered and reporting.

One advantage to coming forward voluntarily is that the agency may partially or fully waive penalties although taxpayers will be expected to pay back taxes plus interest. Another is that the look-back period will be limited to the previous four years instead of seven.

(more)

“We are making it easier than ever for companies to come into compliance with state tax laws before they are caught and face stiff penalties or even criminal prosecution,” Acting Agency Director Will Rice said.

Rice noted that the Legislature recently provided funding to hire additional Department of Revenue auditors, tax discovery officers and other compliance agents.

“Businesses that don’t pay taxes compete unfairly against honest businesses that do,” Rice said. “We owe it to those who conscientiously comply with our tax laws to make sure they don’t face unfair competition from firms that aren’t paying their fair share.”

In some cases, the violators are out-of-state firms that simply don’t understand their obligations under Washington’s tax laws. In fact, most of the companies that have made voluntary disclosures in the past have been out-of-state firms that have sales representatives or other physical presence in Washington sufficient to trigger tax obligations. The agency has negotiated 144 voluntary disclosure agreements/audits since 1993, and has collected approximately \$15 million in tax, interest, and penalties.

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